

## Thomas Jefferson to George Washington, June 5, 1793, Opinion, Statement and Copy, from Thomas Jefferson and the National Capital. Edited by Saul K. Padover.

### OPINION ON NEW LOAN<sup>1</sup>

<sup>1</sup> See under June 17th, 1793. From Hamilton's *Works of Hamilton*.

June 5, 1793.

Instructions having been given to borrow two millions of florins in Holland, and the Secretary of the Treasury proposing to open a further loan of three millions of florins, which he says, "a comprehensive view of the affairs of the United States in various relations appear to recommend," the President is pleased to ask whether I see any objections to the proposition.

The power to borrow money is confided to the President by the two acts of the 4th and 12th of August, '90; and the moneys when borrowed, are appropriated to two purposes only, to wit; the twelve millions to be borrowed under the former are appropriated to discharge the arrears of interest and instalments of the foreign debt, and the two millions under the latter to the purchase of the public debt under the direction of the Trustees of the Sinking Fund.

These appropriations render very simple the duties of the President in the discharge of this trust. He has only to look to the payment of the foreign debt, and purchase of the general one; and in order to judge for himself of the necessity of the loan proposed for effecting these two purposes, he will need from the Treasury the following statements:

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A. A statement of the nett amount of the loans already made under these acts, adding to that the two millions of florins now in a course of being borrowed. This will form the debit of the trust. The credit side of the account will consist of the following statements, to wit:

B. Amount of the principal and interest of foreign debt paid and payable to the close of 1792.C. Ditto, payable to the close of 1793.

D. Ditto, payable to the close of 1794, (for I think our preparations should be a year beforehand).

E. Amount of moneys necessary for the sinking fund to the end of the year 1794.

If the amount of the four last articles exceeds the first, it will prove a further loan necessary to that extent. The treasury alone can furnish these statements with perfect accuracy; but to show that there is probable cause to go into the examination, I will hazard a statement from materials, which though not perfectly exact, are not much otherwise. [ *Statement not found.* ]

By this statement it would seem as if all the payments to France, hitherto made and ordered, did not quite acquit the year 1792, so that we have never yet been clear of arrears to her. The amount of the French debt is stated according to the Convention, and the interest is calculated accordingly. Interest on the ten million loan is known to have been paid for the years '84, '85, and is therefore deducted. It is not known whether it was included in that payment, Therefore this is not deducted; but if in fact it was paid before that day, it will then have lessened the debt so much, to wit, 400,000 livres a year for four years, making it 1,600,000 livres—290,000 dollars, which sum would put us in advance near half of the instalments of 1793. Note. Livres are estimated at 18 19/100 cents, proposed by the Secretary of the Treasury to the French ministry as the par of the metals, to be the rate of conversion.

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This uncertainty with respect to the true state of the account with France and the difference of the result from what has been understood, shows that the gentlemen who are to give opinions on this subject, must do in the dark, and suggests to the President the propriety of having an exact statement of the account with France communicated to them, as the ground on which they are to give opinions. It will probably be material in that about to be given on the late application of Mr. Genet, on which the Secretary is preparing a report.